

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2013-312-C - ORDER NO. 2013-697
SEPTEMBER 27, 2013

IN RE: Joint Application of TC Systems,)	ORDER GRANTING
Incorporated and Teleport Communications)	JOINT APPLICATION
America, LLC for Approval to Transfer)	FOR APPROVAL OF
Assets)	ASSET TRANSFER
)	INCLUDING
)	CERTIFICATES AND
)	AUTHORIZATIONS

This matter comes before the Commission upon a Joint Application by TC Systems, Inc. ("TC Systems") and Teleport Communications America, LLC ("TCA") (collectively, "Joint Applicants") seeking an order approving the transaction of TC Systems into TCA and upon a Motion for Expedited Ruling on Joint Application on the Basis of Verified Testimony ("Motion"). For the reasons set forth below, the Commission finds that both the Motion and the Joint Application should be granted.

I. PROCEDURAL BACKGROUND

On August 9, 2013, Joint Applicants filed their Joint Application seeking an order approving the transfer of the assets of TC Systems, including without limitation all of the certificates and authorizations TC Systems currently has (subject to the same terms and conditions that appear in TC Systems' existing certificates and authorizations) to TCA. This Joint Application is supported by the verified direct testimony of James F. Dionne

(consisting of 14 pages and 3 exhibits) that was filed with the Commission on August 9, 2013.

On August 15, 2013, the Commission directed Joint Applicants to publish the Commission's Notice of Filing and Hearing ("NOFH") in this docket in newspapers of general circulation in the affected areas on or before August 26, 2013, and to provide Proof of Publication on or before September 16, 2013. The Commission's NOFH establishes September 16, 2013, as the deadline for persons to file a Petition to Intervene or to notify the Commission, the Office of Regulatory Staff, and the Joint Applicants in writing that they wish to testify and present evidence in the docket.

On September 18, 2013, Joint Applicants filed with the Commission affidavits reflecting that the NOFH was published in newspapers of general circulation in the affected areas prior to the deadline established by the Commission. Additionally, as of September 17, 2013, no person had filed a Petition to Intervene or a written notice that they wish to testify and present evidence in the docket.

On September 17, 2013, Joint Applicants filed their Motion requesting that the Commission approve their Joint Application at the earliest possible agenda session on the basis of the verified testimony in the record in this proceeding.

II. SUMMARY OF TESTIMONY AND DISCUSSION

The uncontroverted evidence of record shows that applicant TC Systems is a corporation formed and existing under the laws of the State of Delaware and is a wholly-owned indirect subsidiary of AT&T Corp. (Verified Direct Testimony of James F. Dionne at 4). TC Systems is authorized to provide local exchange, including exchange

access, and interexchange telecommunications services in the State of South Carolina pursuant to a Certificate of Public Convenience and Necessity the Commission granted in Order No. 2004-314 in Docket No. 2004-074-C. (*Id.*). The order provides that “[a]ny proposal to provide competitive local exchange telecommunications services to areas served by rural telephone companies is subject to the terms of the Stipulation” between TC Systems and the South Carolina Telephone Coalition that is attached to the Order as Exhibit 1. (*Id.*). TC Systems currently provides access services to certain customers in South Carolina – it does not serve any retail end users in this State. (*Id.*).

Applicant TCA (a wholly-owned indirect subsidiary of AT&T Corp.) is a limited liability company formed and existing under the laws of the State of Delaware as of June 6, 2012. (*Id.* at 4). TCA is authorized by the Secretary of State to do business in South Carolina, but it is not currently certificated or otherwise authorized to provide, and does not provide, any regulated telecommunications services in South Carolina. (*Id.* at 4-5).

The primary purposes behind the transaction are to increase efficiency and provide a more seamless customer experience. (*Id.* at 5-6). This corporate change is strictly *pro forma* and will not impact the provision of telecommunications services in South Carolina. (*Id.* at 6). TC Systems’ existing South Carolina customers will be given prior notice of the transaction. (*Id.* at 9-10).

After the transaction is complete, TCA will provide current TC Systems customers with the same services they are currently receiving from TC Systems pursuant to TCA contracts and/or tariffs that offer such services under the same rates, terms and conditions as these customers currently receive. (*Id.* at 6, 8). TCA will provide services

in the same geographic areas in which TC Systems is authorized to provide services. (*Id.* at 11). More specifically with regard to local exchange services, TCA seeks authority to provide such services on a statewide basis in South Carolina, subject to the terms of the Stipulation between TC Systems and the South Carolina Telephone Coalition that is attached to Order No. 2004-314 in Docket No. 2004-074-C as Exhibit 1. (*Id.* at 11).

After the transaction is complete, TCA will make appropriate filings to convert any TC Systems tariffs that may exist to TCA tariffs and to operate under one or more d/b/a's as appropriate. (*Id.* at 12).

III. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Joint Applicants have set forth with particularity the proposed geographic area to be served by TCA after the transaction. (Verified Direct Testimony of James F. Dionne at 11).

2. Joint Applicants have identified the price list and informational tariff regarding the types of local exchange and exchange access services to be provided by TCA after the transaction. (*Id.* at 6, 8).

3. TCA will possess technical, financial, and managerial resources sufficient to provide the services it intends to provide after the transaction. (*Id.* at 6-8).

4. The services TCA intends to provide after the transaction will meet the service standards that the Commission may adopt. (*Id.* at 8).

5. Provision of the services TCA intends to provide after the transaction will not adversely impact the availability of affordable local exchange service. (*Id.* at 8-9).

6. To the extent it may be required to do so by the Commission, after the transaction, TCA will participate in the support of universally available telephone service at affordable rates. (*Id.* at 9).

7. Provision of the services TCA intends to provide after the transaction will not otherwise adversely impact the public interest. (*Id.* at 9).

IV. CONCLUSION

Based on the foregoing, it is hereby ordered that:

1. The Motion for Expedited Ruling on Joint Application on the Basis of Verified Testimony is granted;

2. Pursuant to Section 58-9-310, the Commission approves the transfer of all assets of TC Systems (including without limitation TC Systems' existing certificates and authorizations to provide services) to TCA to occur on or about October 31, 2013;

3. To the extent any approval is required pursuant to Section 58-9-300 to implement the transaction, the Commission grants such approval;

4. To the extent that any "slamming" regulations arguably would be violated by the transaction, the Commission waives such regulations;

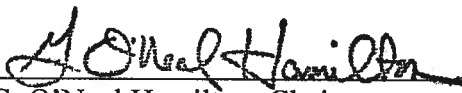
5. To the extent it is necessary to remove any local carrier freezes in order to implement the transaction, the Commission grants approval to remove such freezes;

6. The Commission grants TCA all of the certificates and authorizations TC Systems currently has, subject to the same terms and conditions that appear in TC Systems' existing certificates and authorizations;

7. TC Systems shall notify the Commission and the Office of Regulatory Staff within thirty (30) days of the effective date of the transfer; and

8. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


G. O'Neal Hamilton, Chairman

ATTEST:



Nikiya Hall, Vice Chairman

(SEAL)